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SUBJECT: KAZAKHSTAN: ASTANA HOSTS INTERNATIONAL CONFERENCE ON
SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL INTEGRATION

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11. (U) SUMMARY: During the International Conference on Sustainable Development and Environmental Integration in Central Asia held in Astana on March 13, newly appointed Kazakhstani Minister of Environmental Protection Nurgali Ashimov said that Kazakhstan's Environmental Code is the first in the CIS and is in "complete harmony" with the environmental laws of developed countries. European Commission head of mission Norbert Jousten noted that the environment is linked to the economy and thus the current financial crisis should not divert our attention from environmental concerns. World Bank official Peter Thompson highlighted the serious environmental challenges in Central Asia but also noted several successes, including the northern Aral Sea. UNECE representative Bulat Yesekin argued that Central Asian governments are not willing to follow through on agreements they have signed on environmental cooperation. Kazakhstani Business Association for Sustainable Development representative Gulsara Edilbayeva said that environmental standards must meet international norms and should not be arbitrary. END SUMMARY.

ENVIRONMENT MINISTER'S OPENING REMARKS

12. (U) In his opening remarks at the International Conference on Sustainable Development and Environmental Integration in Central Asia, which was held in Astana on March 13 and sponsored by the European Commission and the Government of Kazakhstan, newly appointed Kazakhstani Minister of Environmental Protection Nurgali Ashimov said that President Nazarbayev has always focused on the importance of the sustainable development in the Eurasia region as a whole, which is a formula critical for the survival of the Kazakhstani people. Kazakhstan has signed a Framework Convention on Sustainable Development with Kyrgyzstan, Tajikistan, and Turkmenistan. Sustainable development needs to be considered in context of the world's other problems, including the current financial crisis. Ashimov said Kazakhstan's Environmental Code is the first in the CIS and is in complete harmony with the environmental laws of developed countries.

ENVIRONMENT LINKED TO ECONOMY

13. (U) European Commission Ambassador to Kazakhstan, Kyrgyzstan, and Tajikistan Norbert Jousten congratulated Kazakhstan on its recent signing of the Kyoto Protocol and agreed that Kazakhstan's Environmental Code meets the highest standards. He noted that the global financial crisis might cause people to think the economy is much more important than the environment, but the two are tightly linked. He said the EU's main areas of environmental focus are climate change, health, biodiversity, and the sustainable use of natural resources.

14. (U) Jousten said the EU's Central Asian strategy contains a strategy for water management, climate change, fighting desertification, and providing support for the development of renewable energy. EU-Central Asian cooperation is increasing, and the environment is a key aspect. He mentioned several projects that are underway, including a 1.8 million euro project on integrated water resource management involving Kazakhstan, Kyrgyzstan, Turkmenistan, and Tajikistan; 1.5 million euros for an environmental center; and support for the Central Asian countries to sign the Aarhus Convention. (NOTE: The United Nations Economic Commission for Europe (UNECE) Convention on Access to Information, Public Participation in Decision-Making, and Access to Justice in Environmental Matters, is better known as the Aarhus Convention. END NOTE.)

SOME PROGRESS ON NORTHERN ARAL SEA

15. (U) World Bank Sustainable Development Department Director Peter Thompson said that water, energy, and agriculture pose serious challenges in Central Asia. He noted the conflicting interests of upstream countries using water for energy, versus downstream countries that need it for irrigation. To make matters worse, up to 50 percent of water is lost due to the poor irrigation system

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inherited from the Soviet era. He argued that water pricing and management is very inefficient, leading to an increase in land degradation, with serious implications for long-term food security. He noted that the Aral Sea, once the world's fourth largest lake, has shrunk 70 percent since 1960, its water level has dropped almost 20 meters, and it has now split into northern and southern portions.

The World Bank and Kazakhstan have managed to restore part of the northern Aral Sea by means of the Kok-Aral Dike, constructed to separate the two seas and maintain the integrity of the northern sea, which lies entirely within Kazakhstan. As a result, water levels have risen, salinity levels have declined, fish production has increased, and the ecosystem has been partially restored. Unfortunately, the Soviet legacy still remains in most of Central Asia, with aging and limited infrastructure for waste management treatment, limited cooperation at the local level, and severe pollution of water supplies, Thompson maintained.

GOVERNMENTS UNWILLING TO COOPERATE IN KEY AREAS

16. (U) Bulat Yesekin, a representative of the Environmental Policy Committee of the United Nations Economic Commission for Europe (UNECE), said Central Asia's three main sustainable development problems are the destruction of the region's water ecosystems, inefficient water management, and an inadequate potable water supply. The unwillingness of governments to cooperate leads to a range of environmental problems such as poverty and migration, ecosystem degradation, poor health, pollution, and inefficient management of water and energy. The five Central Asian countries signed a memorandum on cooperation during a 2003 Kiev ministerial conference on the environment, committing to saving water basin ecosystems, rational use of water, access to potable water, and regional cooperation. Unfortunately, much of this commitment has not been realized, and now there are only fragmented water management programs in Central Asia. Yesekin said that some goals to achieve by 2012 are a regional water management agreement, analysis of tax policies and the extent to which they stimulate environmental destruction, trans-boundary projects to save the Eurasian ecosystem, and targeted assistance for the Aral Sea, Caspian Sea, and Lake Balkhash (which is Central Asia's second

largest lake, located in southeastern Kazakhstan).

CONFLICTING IDEAS ON WATER IMPEDE INTEGRATION

¶7. (U) Central Asia Regional Environmental Center (CAREC) Executive Director Talaybek Makeyev said his organization's mission is to support regional environmental integration and cooperation in Central Asia. CAREC seeks to mobilize civil society, including the private sector, to improve the environment and promote sustainable development. Kyrgyz-Russian Slavic University department head Dr. Elena Rodina said she wants Kyrgyzstan to regard environmental security as the basis of sustainable development. Unfortunately, it is difficult to overcome the institutional problems of integration of water resources. There is no existing mechanism at present that can regulate trans-boundary water resources, and there are conflicting notions of how to treat water. She recommended that all parties either collectively sign and ratify the U.N. conventions on water resource management, or have a panel of objective international experts help draft laws in each country that can help them eventually move toward cooperation.

BUSINESS WANTS TO PARTICIPATE IN SETTING STANDARDS

¶8. (U) Kazakhstan Business Association for Sustainable Development representative Gulsara Edilbayeva wants to increase the role of business and the private sector in achieving the economic goals of sustainable development. She said that business needs sustainable development and environmental protection policies which follow international standards and are not arbitrary. Emission standards and associated fines need to have concrete criteria that are internationally accepted. It is thus important to improve the environmental indicators used to regulate industry. She said businesses want to see greater cooperation and discussion among the

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government, NGOs, international organizations, and business associations.

¶9. (SBU) NOTE: The government of Kazakhstan has levied heavy environmental fines against companies in the extractive industries sector, particularly those developing oil and gas fields. Tengizchevroil (TCO), for example, was ordered by a court in Atyrau oblast to pay a \$342 million fine in 2007, for alleged violations of environmental regulations related to TCO's open-air storage of sulfur. In addition, in 2008, oil companies operating in Kazakhstan paid more than 14 billion tenge (\$93 million) in fines for excessive gas flaring, including 1.8 billion tenge (\$12 million) paid by Karachaganak Petroleum Operating Company, in which Chevron has a 20 percent stake. The Chinese National Petroleum Company (CNPC), which owns 60 percent of AktobeMunaiGas, paid a fine of 300 million tenge (approximately \$2 million) in March 2009, for dumping 2,300 tons of drilling waste near residential sites and flaring 1,200 million cubic meters of natural gas, well above its permitted quota. END NOTE.

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